

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Monticello Central School District
Monticello, New York 12701

To the Audit Committee and Board of Education of the
Monticello Central School District

We have performed the procedures enumerated below on the internal control assessment of the Monticello Central School District for the months of July, August and September 2022. Monticello Central School District is responsible for the design, selection, and implementation of the internal controls.

Monticello Central School District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting Monticello Central School District in evaluating internal control procedures based on guidance published by New York State Education Department and New York State Office of the State Comptroller. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Revenue and Cash Management – Cash Receipts and Revenue

1. We interviewed two High School Guidance Counselors regarding the District's procedures for accepting, safeguarding and awarding scholarships to students.

During our interview, we noted that there were no internal controls in place regarding scholarships but the Guidance Department has a plan to implement the following:

- Receipts will be given to all donors when they drop off a check or a money order to be awarded to a student.
- Cash is no longer accepted.
- All funds will be kept in the school safe until they are awarded to the students.

Revenue and Cash Management – Cash Receipts and Revenue (Continued)

Recommendations

In addition to the Guidance Department's plan, we recommend the following:

- The Guidance Department should maintain a spreadsheet or ledger that lists when they receive money for a scholarship, the amount received, the student the scholarship was awarded to, and the date the scholarship was awarded.
- The Guidance Department should utilize the bank account established by the District for the scholarship fund which is overseen by the Business Office. All monies received for the scholarship fund should be deposited into this bank account.
- All payments for scholarships should be paid to the college or the student by check.
- The donor of a scholarship should provide the funds to the School District and not directly to the student.

Facilities, Equipment and Inventory – Facilities Construction

2. We obtained the District's capital projects fund general ledger for the period July 1, 2020 – September 30, 2022. Based on our review of this ledger, we performed the following procedures:
 - We obtained all progress billing reports for the high school renovation project and the bus garage project for the period July 1, 2020 – September 30, 2022.
 - We recalculated the amounts reported on the progress billing reports to verify accuracy.
 - We verified that the Architect and/or Engineer approved the payment and that their signature on the application was notarized.
 - We traced the payment from the progress billing report to a warrant approved by the Board.

Conclusion

No findings were noted as a result of the above named procedures. We will continue to review the capital projects fund as these projects progress.

Student Services – Extra Classroom Activity Fund

3. We selected four extra classroom activity clubs within the District for the 2022-2023 school year and performed the following procedures:
 - We reviewed the disbursements from July 1, 2022 through December 14, 2022 for supporting documentation, Student Officer approval, and verified that sales tax is paid when required.

Student Services – Extra Classroom Activity Fund (Continued)

- We reviewed receipts from July 1, 2022 through December 14, 2022 for supporting documentation, Student Officer approval, and verified that sales tax is collected if required.
- We reviewed deposits to determine whether they were made timely.
- We verified that the profit and loss statements were prepared for fundraising activities.

Conclusion

- No findings were noted as a result of the above named procedures.
4. We obtained a listing of all District approved activity funds, including those activity funds that have been discontinued and performed the following procedures:
- We compared the Central Treasurer's list of all District clubs to the audited financial statements to determine that all clubs are valid.
 - We determined the duration of any inactive funds and compared it to the policy on when funds are required to be closed out.
 - We verified that each fund has been assigned a Board approved Advisor and has a Student Elected Officer.

Findings/Conclusion

- It was noted that the Central Treasurers do not maintain their own list of all the club advisors and student elected officers. We recommend that the Central Treasurers maintain a list of all the Board approved club advisors and student elected officers for every club.
5. We obtained the October 2022 bank reconciliation for both the High School and Middle School extra classroom activity fund bank accounts and performed the following procedures:
- We traced the balance per the bank statement to the balance per the bank reconciliation to verify that they agree.
 - We verified that there were no old outstanding deposits and/or checks.
 - We recomputed the ending balance per the bank reconciliation for accuracy.

Conclusion

- No findings were noted as a result of the above-named procedures.

Risk Assessment Update

Risk assessments have been updated in the following areas:

II. Accounting and Reporting

- Assessing Financial Condition
- Financial Accounting and Reporting
- Auditing
- State Aid and Grants

VI. Student Services

- Student Transportation
- Food Service
- Extra Classroom Activity Fund

Regarding the Risk Assessment Update, there are no other matters to report at this time.

We were engaged by Monticello Central School District to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on internal control assessment for the months of July, August and September 2022. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Monticello Central School District and to meet other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of Monticello Central School District and the audit committee of Monticello Central School District, and is not intended to be, and should not be, used by anyone other than these specified parties.

Waschitz Pauloff CPA LLP

Monticello, New York

December 19, 2022